APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/698,140	10/31/2003	James D. Peterson	020425-105900US	2938

20350   7590   03/02/2010
TOWNSEND AND TOWNSEND AND CREW, LLP
TWO EMBARCADERO CENTER
EIGHTH FLOOR
SAN FRANCISCO, CA 94111-3834

EXAMINER
WONG, ERIC TAK WAI

ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
03/02/2010	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

DETAILED ACTION

Election/Restrictions

1.   Applicant's election with traverse of Group I, claims 1, 3, 28-34, 36, and 37 in the reply

filed on 10/15/2009 is acknowledged. The traversal is on the ground(s) that the search and

examination of both Groups I and II is not unduly burdensome since both groups have already

been searched and examined. This is not found persuasive because further search and/or

consideration may be required in view of Applicant's amendments/remarks. Although a

restriction requirement will normally be made before any action upon the merits, it may be made

at any time before final action. Search and examination of the separate groups would be

burdensome because the following reasons apply:

- the inventions require a different field of search (for example, searching different
  classes/subclasses or electronic resources, or employing different search queries);

- the prior art applicable to one invention would not likely be applicable to another
  invention;

2.   The requirement is still deemed proper and is therefore made FINAL.

Claim Rejections - 35 USC § 101

3.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or
> any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
> requirements of this title.

4.   Claims 1, 3, 28-33, 36, and 37 rejected under 35 U.S.C. 101 because the claimed

invention is directed to non-statutory subject matter.

5.   For purposes of § 101, a "process" has been given a specialized, limited meaning by the

courts. Based on Supreme Court precedent and recent Federal Circuit decisions, a process must

(1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying

subject matter (such as an article or materials) to a different state or thing. If neither of these

requirements is met by the claim, the method is not a patent eligible process under § 101 since it

is directed to non-statutory subject matter. In addition to being tied to another statutory class, the

claim should positively recite the other statutory class to which it is tied, for example by

identifying the apparatus that accomplishes the method steps, or positively recite the subject

matter that is being transformed, for example by identifying the material that is being changed to

a different state. See In re Bilski, 88 USPQ2d 1385 (Fed. Cir. 2008).

6.   There are two corollaries to the machine-or-transformation test. First, a mere field-of-use

limitation is generally insufficient to render an otherwise ineligible method claim patent-

eligible. This means the machine or transformation must impose meaningful limits on the

method claim's scope to pass the test. Second, insignificant extra-solution activity will not

transform an unpatentable principle into a patentable process. This means reciting a specific

machine or a particular transformation of a specific article in an insignificant step, such a data gathering or outputting, is not sufficient to pass the test.

7.   A method claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1, 3, 28-34, 36, and 37 fail to meet the above requirements since there is neither a physical transformation nor a sufficient tie to another statutory class.

8.   On the first Bilski prong, claim 1 recites in the preamble that the method is done in a financial advisory computer system. However, the recitation in the preamble does not impose meaningful limits on the method claim's scope since limitations in the preamble are generally accorded little to no patentable weight. Claim 1 also recites a "database" in the body of the claim. However, a database may be reasonably interpreted as any collection of data. Therefore, the recitation does not necessarily comprise a tie to another statutory class.

9.   On the second Bilski prong, the claim does not require transformation of any article into a different state or thing. The only transformation is that of legal rights and organizational relationships that were explicitly excluded in the Bilski decision: "transformations or manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances."

Claim Rejections - 35 USC § 103

10.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

11.   Claim 1, 3, 29-32, 34, 36, 37 rejected under 35 U.S.C. 103(a) as being unpatentable over

Hoffman (US PATENT 7,249,080, cited in prior Office Action) in view of Perkel (US PG-PUB

2002/0062273, cited in prior Office Action), further in view of Zeitoun (US PG-PUB

2005/0027632), further in view of Bove (US PATENT 7,149,713, cited in prior Office Action).

12.   Regarding claim 1, Hoffman teaches

receiving a risk tolerance for a client (see column 2 lines 34-36);

receiving preferences for the client, wherein the preferences for the client include an
identification of specific assets that a client wants to sell or hold (see column 36 lines 16-
18);

identifying assets held in the client's portfolio (see column 4 lines 6-11, 54-58);

based on the preferences and the risk tolerance for the client, determining a recommended
asset allocation (see column 12 lines 61-67);

providing a database with ratings for different financial assets (see column 11 lines 63-
66);
identifying one or more assets in the client's portfolio that are recommended to be sold
(see column 12 lines 61-67);

for each asset of the one or more identified assets recommended to be sold, generating a
list of alternative client portfolio assets recommended to be sold instead of the identified
asset (see column 21 lines 18-23, 38-46);

wherein an asset is recommended to be sold based on one of the following criteria: (1) the asset is recommended to be sold to achieve a recommended asset allocation (2) the asset is recommended to be sold based on a specific client preference (3) the asset is recommended to be sold in order to achieve sector diversification (4) the asset is recommended to be sold based on a poor rating for the asset in the database (5) the asset is recommended to be sold in order to reduce concentration in the asset, or (6) the asset is recommended to be sold to realize tax loss harvesting;

13.   Hoffman further teaches recommending assets to be sold to achieve a recommended asset allocation and recommending assets to be sold due to poor ratings (see column 13 lines 22-36). However, Hoffman does not explicitly teach displaying, along with the recommendations, the bases for the recommendations, wherein the bases correlate to investment strategies for the client's portfolio.

14.   Perkel teaches that when a client places an order with a broker in response to an advice interaction with a broker, the resulting trade is deemed a "solicited trade" (see paragraph 4). Perkel further teaches that this advice may include recommending to sell for various reasons correlating to an investment strategy for the client's portfolio (see at least FIG. 9B2). Therefore, Perkel teaches identifying the bases for recommending that assets be sold.

15.   Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the system of Hoffman to include identifying the basis for recommending that assets be sold, wherein the basis may include recommending assets to be sold to achieve a recommended asset allocation or recommending assets to be sold due to poor ratings. The modification would have merely been the application of a known technique to a known method ready for improvement yielding predictable results.

16.   The combination as proposed by the Examiner recommends assets to be sold for various

reasons and identifies those reasons to the investor. Modifying the layout of the information

such that the recommendations are placed in tables with each table corresponding to a basis for

recommendation constitutes a mere rearrangement of data which does not patentably distinguish

the claimed invention from the prior art. Examiner asserts that it is old and well known in the art

to group data by shared attributes and that the data being grouped constitutes non-functional

descriptive material (in this case, the data includes assets to be sold and the shared attributes are

the reasons for recommending sale). The modification would have merely been the application of

a known technique to a known method yielding predictable results.

17.   Hoffman does not explicitly disclose:

> receiving all the account numbers for a plurality of investment accounts the client has at a
> particular financial institution;

> receiving preferences wherein the preferences also include which of the plurality of
> accounts are to be included in financial advisory considerations;

> identifying assets held in the client's portfolio wherein the portfolio includes assets
> spread across the included accounts;

18.   Zeitoun teaches:

> receiving all the account numbers for a plurality of investment accounts the client has at a
> particular financial institution (see paragraphs [0047] and [0054]);

> receiving preferences wherein the preferences also include which of the plurality of
> accounts are to be included in financial advisory considerations (see paragraphs [0070],
> [0071]);

> identifying assets held in the client's portfolio wherein the portfolio includes assets
> spread across the included accounts (see paragraphs [0168]-[0170]);

19.   It would have been obvious to one of ordinary skill in the art at the time of invention to

have modified Hoffman further with the teachings of Zeitoun. The modification would have

merely been the application of a known technique, ie. financial analysis across multiple accounts,

to a known method ready for improvement, Hoffman's method of financial analysis, yielding

predictable results.

20.   Hoffman does not explicitly disclose recommending placing assets into the included

accounts in a tax efficient manner.

21.   Bove teaches recommending placing assets into multiple accounts in a tax efficient

manner (see abstract and column 4, lines 48-67).

22.   It would have been obvious to one of ordinary skill in the art at the time of invention to

have modified Hoffman further with recommending placing assets into multiple accounts in a tax

efficient manner, as taught by Bove. The modification would have merely been the application

of a known technique to a known method yielding predictable results, the predictable results

being minimizing tax liability.

23.   Regarding claim 3, Hoffman further discloses a table containing one or more rows and a

plurality of columns, with at least one of the columns indicating a rating from the database

wherein the rating corresponds to the asset that corresponds to the row where the rating is

provided (see FIG.10).

24.   Regarding claims 29-32, Hoffman teaches recommending assets to be sold based on a

specific client preference (see column 2 lines 34-36); recommending assets to be sold in order to

achieve sector diversification (see column 28 lines 30-38); recommending assets to be sold in

order to reduce concentration in the asset (see column 28 lines 30-38); recommending assets to be sold to realize tax loss harvesting (see column 28 lines 42-46).

25.   As discussed above in the rejection of claim 1, the combination as proposed by the Examiner recommends assets to be sold for various reasons and identifies those reasons to the investor. Modifying the layout of the information such that the recommendations are placed in tables with each table corresponding to a basis for recommendation constitutes a mere rearrangement of data which does not patentably distinguish the claimed invention from the prior art.

26.   Regarding claim 34, Hoffman further discloses wherein determining a recommended asset allocation is performed by the computer system.

27.   Regarding claim 36, Hoffman discloses displaying, in a table, columns including a symbol, a quantity to sell, shares and position value, and asset class (see FIG. 13).

28.   Hoffman further discloses displaying the rating of an asset as a column in a table (see FIG. 10, "Stock Alerts").

29.   Hoffman further discloses displaying account number and account type (see FIG. 10). Examiner notes that a user may click on an account name to view account details, which includes account number and account type.

30.   Regarding claim 37, Hoffman further discloses wherein the account number and account type column lists taxable and non-taxable accounts (see FIG. 10, "Stock Alerts").

31.   Claims 28 and 33 rejected under 35 U.S.C. 103(a) as being unpatentable over Hoffman in

view of Perkel, further in view Zeitoun, further in view of Bove, further in view of Official

Notice.

32.   Regarding claims 28 and 33, Hoffman discloses an asset allocation model but does not

explicitly model based on an underlying target asset allocation corresponding to model portfolios

constructed via means-variance optimization.

33.   Official Notice is taken that asset allocation models based on an underlying target asset

allocation corresponding to model portfolios constructed via means-variance optimization were

old and well known in the art at the time of invention (Markowitz mean-variance model).

34.   It would have been obvious to have modified Hoffman to include said means-variance

asset allocation models. The modification would have merely been the simple substitution of one

known element for another (asset allocation models) to obtain predictable results.

35.   In response to Applicant's traversal of the Official Notice taken, Examiner provides

Kaplan, ("Asset Allocation Models Using the Markowitz Approach") as supporting evidence.

Kaplan teaches an asset allocation model based on an underlying target asset allocation

corresponding to model portfolios constructed via means-variance optimization (Markowitz –

based mean-variance model).

Response to Arguments

36.   Applicant's arguments filed 7/6/2009 have been fully considered but they are not

persuasive.

37.   Applicant argues that claim 1 recites a "database" in the body of the claim, and the

preamble recites a "computer system." As such, the claim recites a machine and is therefore tied

to a statutory class and satisfies 35 U.S.C. 101 (see pg. 9 of Remarks).

38.   The argument is found unpersuasive for the following reasons:

39.   Method claim 1 fails to **positively recite** the statutory class the other statutory class to

which it is tied. The claim recites in the preamble that the method is done in a financial advisory

computer system. However, the recitation in the preamble does not impose meaningful limits on

the method claim's scope since limitations in the preamble are generally accorded little to no

patentable weight. The claim also recites a "database" in the body of the claim. However, a

database may be reasonably interpreted as any collection of data. Therefore, the recitation does

not necessarily comprise a tie to another statutory class.

40.   Examiner recommends amending the claim to recite that at least one significant step is

performed by a computing device (eg. claim 34 satisfies the Bilski test).

41.   Applicant argues that Applicants are not claiming "tables" *per se*. Rather, the limitation

"generating a plurality of tables wherein each asset of the one or more identified assets

recommended to be sold is included in one of the tables, wherein each table corresponds to a

reason that identifies the basis for recommending that assets contained in the table be sold,

wherein the plurality of tables includes a first table that lists assets to be sold to achieve a

recommended asset allocation and a second table that lists assets to be sold due to poor ratings
and wherein the basis correlates to an investment strategy for the client's portfolio" includes
tables of assets that are generated based on specific reasons (see pg. 12 of Remarks).

42.   The argument is found unpersuasive for the following reasons:

43.   Examiner acknowledges that Applicants are not claiming "tables" *per se*. However,
displaying a table necessarily entails generating a table. Therefore, displaying tables which are
grouped by reasons for recommending the sale, as discussed in the rejection of claim 1 above,
necessarily entails generating the tables.

44.   Applicant argues that Bove does not teach recommending placing assets into multiple
accounts in a tax efficient manner; Bove only suggests that tax advantaged accounts exist, and
that it is possible to buy stocks in tax advantaged accounts (see Remarks, pg. 13).

45.   The argument is found unpersuasive for the following reasons:

46.   Bove, at abstract and column 4, lines 48-67, teaches first- placing stocks into a Roth IRA
if available, second – purchasing stocks into an annuity if available, …, fourth placing stocks
into taxable accounts, etc.. Therefore, Bove teaches recommending placing assets into multiple
accounts in a tax efficient manner

47.   Examiner also notes Frank (US PATENT 6,240,399) discloses a system and method to
maximize the investor's ending after-tax asset accumulation by allocating chosen investment
vehicles between taxable and tax-deferred accounts in an optimum way.

Conclusion

48.   The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure. Frank (US PATENT 6,240,399) discloses a system and method to maximize the

investor's ending after-tax asset accumulation by allocating chosen investment vehicles between

taxable and tax-deferred accounts in an optimum way.

49.   **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within TWO

MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the mailing

date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to ERIC T. WONG whose telephone number is 571-270-3405. The

examiner can normally be reached on Monday-Friday 9:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the

organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would

like assistance from a USPTO Customer Service Representative or access to the automated

information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/   ERIC T. WONG
Supervisory Patent Examiner, Art Unit 3693   Examiner
                                                            Art Unit 3693

February 27, 2010